BRITISH COLUMBIA

BC STATS

Ministry of Management Services

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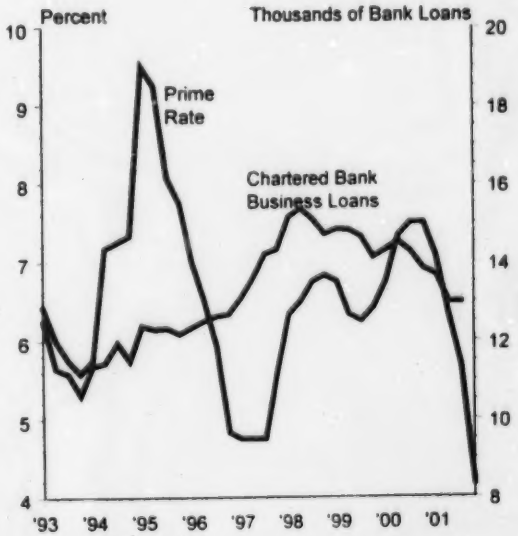
Small Business Quarterly ◆ Third Quarter 2001

This issue introduces a slight redesign of the tables. In an effort to make release of this publication more timely, from this issue forward the Small Business Quarterly will be released on a regular schedule when the majority of data is available for the quarter. Also, all available current data will be displayed rather than just the data up to the quarter of the release.

- The number of employees of small businesses was up slightly (+0.4%) in the second quarter 2001 compared to the same period in 2000. All the growth occurred in businesses employing between 20-49 employees (+2.9%), as businesses with fewer than 20 employees experienced a slight decline (-0.7%) in employment.
- The number of self-employed in British Columbia continued to rise in the fourth quarter of 2001, up 2.9% from the fourth quarter of 2000. Both self-employed with (+1.7%) and without (+2.9%) paid help showed year-over-year increases.
- The number of small businesses in British Columbia (excluding self-employed persons) slipped slightly (-0.2%) from third quarter 2000 to third quarter 2001. Micro-businesses (i.e., those employing less than 5 people) increased 1.3%, but all other size categories experienced some decline. Businesses with 5 to 9 employees fell 1.7% and the number of businesses with 10 to 19 employees dropped 5.7%. The largest decline was in the 20 to 49 employee category, which was down 6.7%.
- New business incorporations continued to decline, dropping 10.7% year-over-year from the third quarter 2000 to 2001.
- Business bankruptcies fell significantly in the third quarter with a year-over-year decline of 6.0%. However, there was a significant jump in October and November, which indicates that business bankruptcies in the fourth quarter may have been significantly higher compared to 2000. The increase may be the a combination of a Canada-wide recession, fallout from the September 11th terrorist attacks and the effects of heavy duties in the softwood lumber sector that are driving small operators out of business.
- The prime rate plunged in 2001, dropping over three points from where it stood at the end of 2000. Despite the lower cost of borrowing, chartered bank business loans in British Columbia have continued to shrink, dropping 9.0% over the last year.

Despite a big drop in the Prime, chartered bank business loans continue to fall



Business and Consumer Bankruptcies are on the rise in BC

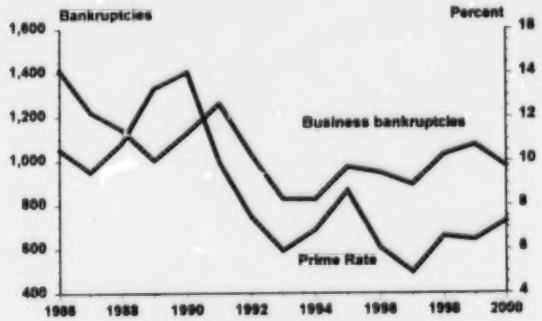
Business and consumer bankruptcies have been on divergent paths over the last decade. While business bankruptcies have fallen somewhat from the number experienced in the early nineties, consumer bankruptcies climbed throughout the decade and were still rising in 2001.

A bankruptcy is attributed to a business, rather than an individual, when over 50 percent of the liabilities incurred are related to a commercial venture or business. This includes corporations, but is more often an individual operating a business as an individual proprietorship or in partnership with other individuals. Business bankruptcies have fallen from 1,262 in 1991 to 976 in 2000, although it appears they will be significantly higher once the numbers for 2001 are in.

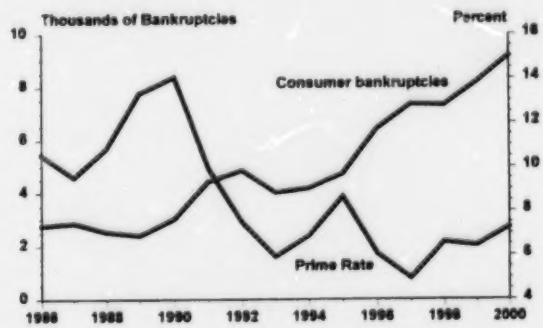
Generally, the number of business bankruptcies has trended fairly closely with the direction of the Prime Rate. In other words, when the Prime fell, the number of bankruptcies for businesses fell, and when the Prime went up, so too did business bankruptcies. This makes sense because with a lower Prime Rate the cost of borrowing for a business is less, which means the burden of interest payments is not as significant. With less of the revenue of a business going toward loan payments, there is more left for profit.

One might think this relationship would hold for consumer bankruptcies as well, but in fact, it appears that over the last several years the opposite has been true. The Prime Rate fell dramatically in the early nineties, spiked up briefly in 1995, then dropped again, settling between 6 and 7½ percent. In 2001, the rate underwent a significant decline dropping 3.25 points from January to December and ending up at 4.0%. By contrast, the number of consumer bankruptcies has been steadily increasing since 1990.

The number of business bankruptcies tends to follow the Prime Rate...



...while consumer bankruptcies tend to trend opposite the Prime Rate



Even with the historically low Prime Rate, the number of consumer bankruptcies has been consistently higher year-over-year compared to 2000. One possible explanation for this is that the Prime Rate is usually lowered in response to a poor-performing economy. When the economy is struggling there is usually an increase in unemployment, which in turn could lead to rising personal debt. This eventually gives rise to increased consumer bankruptcy.

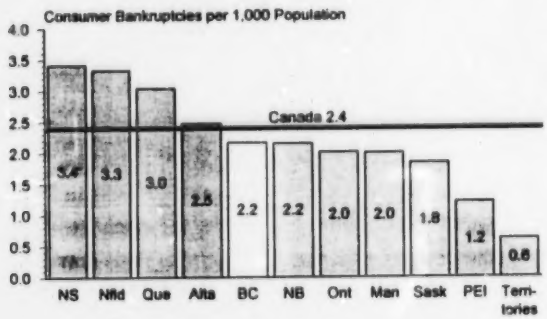
An alternative explanation is that the upward trend in consumer bankruptcies is due to factors unrelated to either interest rates or the economy, such as increased use of

credit cards and the proliferation of "buy now, pay later" schemes.

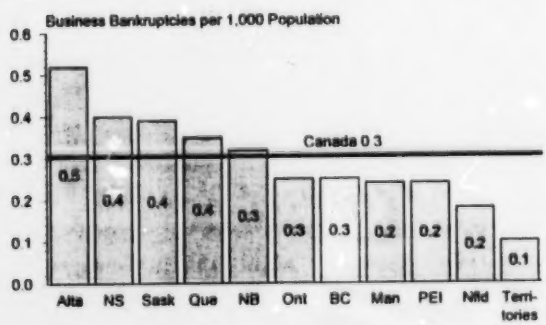
Since 1990, the number of consumer bankruptcies in British Columbia has tripled. During the same period, the number for Canada also increased significantly, rising 75% from 1990 to 2000.

Despite the rapid growth in consumer bankruptcies in BC, the province still has fewer per 1,000 population (2.2) than the Canadian average (2.4), ranking fifth in the country year-to-date to November 2001. British Columbia fares even better with business bankruptcies, ranking seventh at 0.3 bankruptcies per 1,000 people. It should be noted that some of the discrepancy between provinces might be due more to the regulations governing bankruptcy that may make it easier or more difficult to declare bankruptcy, rather than the relative strength of the provincial economies.

Year-to-date to November 2001, BC has fewer consumer bankruptcies per 1,000 population than the Canadian average...



...and the same can be said for business bankruptcies



In the last quarter of 2001 business bankruptcies in BC and across the country have undergone a significant hike. In October and November 2001 there were a total of 226 business bankruptcies in BC, compared to 232 for the entire fourth quarter 2000. There were similar increases in the numbers across the country, likely reflecting the slide of the Canadian economy into recession. The terrorist attacks of September 11th and the softwood lumber trade dispute with the United States may also be partially responsible for the sudden jump in bankruptcies.

The largest increase in the number of business bankruptcies from September to October 2001 was in "other service industries," which includes travel services. In the wake of the terrorist hijackings, there has been a reluctance to fly on the part of many travellers. This has taken its toll not only on the airlines, but also travel agents and other industries serving tourists.

Another industry group with a large increase in bankruptcies in BC was manufacturing. Quebec also had a major rise in bankruptcies in manufacturing industries, which lends support to the idea that the softwood lumber dispute may also be having an effect, since Quebec and BC are the provinces affected the most by the duties that have been imposed on softwood lumber. It is likely that smaller sawmills could not keep running under the financial burden of the punishing duties.

In general, the industries that are most prone to bankruptcy in British Columbia are those in construction, retail trade, other services and accommodation, food and beverage. One of the reasons for this is simply due to numbers—there tend to be more of these types of industries, and therefore, there are naturally more that will fail. Another reason is that these kinds of industries are often small operations with a small margin for success or failure.

As Canada attempts to shake itself out of the economic doldrums, it is likely that the Prime Rate will remain at historically low levels and may drop even further. This should help stem the rise in business bankruptcies and, through an improvement in the economy, may even halt the disturbing rising trend in consumer bankruptcies.

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Feature Articles Listed by Issue Number

01-2: *'The Benefits and Costs of a Higher Minimum Wage'* (released Nov.2001)

01-1: *'Small Business On-Line: Internet Use Among SMEs'* (released Sept. 2001)

00-4: *'Co-operatives Grew Steadily Throughout the 1990s'* (released May 2001)

00-3: *'Profile of Self-Employed in British Columbia'* (released Mar. 2001)

00-2: *'Latest Small Business Employment Numbers Show Three Year Changes'* (released Jan. 2001)

00-1: *'Some Distinctive Features of The Small Business Workplace'* (released Oct. 2000)

99-4: *'Transfers of Corporate Charters to Other Provinces Suggest Business Migration From British Columbia'* (released July 2000)

99-3: *'755 Thousand British Columbians Rely On Small Businesses For Jobs'* (released Mar 00)

99-2: *'A Quarter of All Employees In British Columbia Work For Small Employers'* (released Nov 99)

99-1: *'Self-Employment In British Columbia Takes On New Profile'* (released Sep 99)

98-4: *'Co-Operative Movement Grows Through the 1990s'* (released Apr 99)

98-3: *'The Long and the Short of Working Hours For Self-Employed'* (released Dec98)

98-2: *'People Trying Self-Employment As A Second Job'* (released Aug 98)

98-1: *'British Columbians Still Making Their Own Jobs'* (released May 98)

97-4: *'Business Bankruptcies Ease With Low Interest Rates, But Consumer Bankruptcies Continue to Climb'* (released Mar 98)

97-3: *'Co-operative Movement Grows Steadily In British Columbia'* (released Jan 98)

97-2: *'Doing Our Thing In Lotusland – The New Self-Employed In British Columbia'* (released Sep 97)

97-1: *'Immigrants Boost Self-Employment In British Columbia'* (released Aug 97)

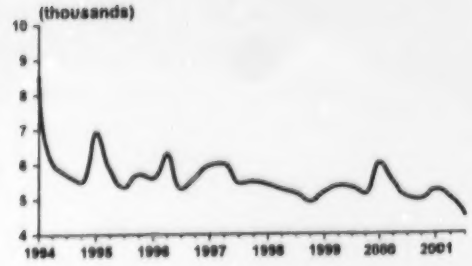
96-3: *'Changes in Business Confidence Expressed In Numbers of New Incorporations'* (released Mar 97)

96-2: *'Bankruptcies Rise With Self-Employment and Mounting Consumer Debt Loads'* (released Oct 96)

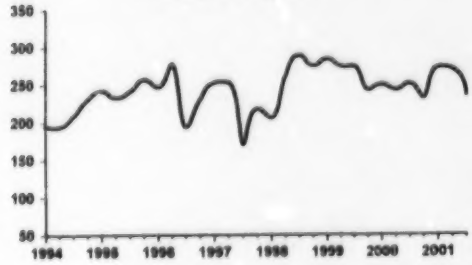
96-1: *'Counting the Business Community in British Columbia'* (released Jul 96)

Business Counts, Formations and Failures

New Business Incorporations in British Columbia

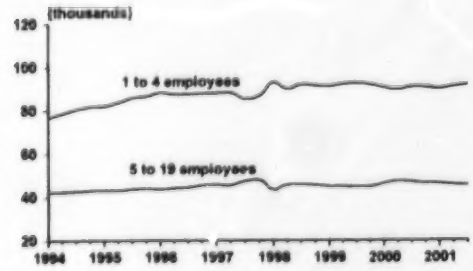


Number of Business Bankruptcies in British Columbia



Self-Employed Persons

Small Businesses With Employees

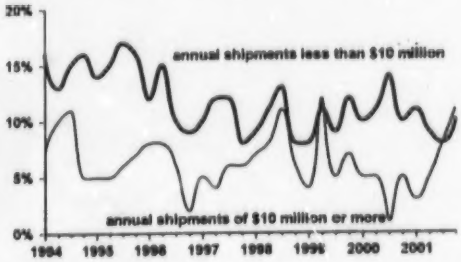


Business Conditions

Balance of Opinion on New Orders Received at Start of Quarter

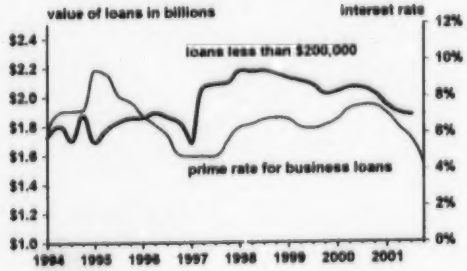
(% reporting rising less % reporting falling)

Per Cent of Manufacturers Experiencing Shortage of Working Capital



Per Cent of Manufacturers Experiencing Shortage of Skilled Labour

Chartered Bank Business Loans in British Columbia



Small Business Quarterly

Table 1

Period	Active Employer Businesses [1] by number of employees: Total	1-4	5-9	10-19	20-49	Employment [2] by number of employees in business: Total	1-19	20-49	50+	Self-employed [3]: Total*	with paid help	without paid help
	('000)					('000)				('000)		
Annual Averages												
1994	137.6	79.5	25.3	17.4	10.6					302.8	130.0	168.2
1995	143.7	84.7	26.0	17.6	10.7					302.5	127.3	169.7
1996	148.2	87.9	26.5	18.1	10.8					321.3	127.3	189.3
1997	150.9	87.2	27.5	19.2	11.7					361.4	129.0	225.9
1998	153.7	91.6	26.9	18.2	11.5					388.6	123.6	258.3
1999	154.6	92.0	26.8	18.2	11.9					392.6	132.5	254.9
2000	156.6	90.5	27.5	19.3	13.0	1,566.5	412.3	181.9	972.3	366.1	121.0	239.2
% change 1999-2000	1.3%	-1.6%	2.9%	5.7%	8.7%	-	-	-	-	-6.7%	-8.7%	-6.1%
Quarterly	*End of Quarter*					*Quarterly*				*Quarterly Averages*		
1998 Q1	152.7	93.0	26.0	17.4	11.0					370.1	121.8	242.5
Q2	153.1	90.1	27.2	18.5	11.8					389.5	120.0	260.4
Q3	154.7	92.0	27.3	18.6	11.5					400.3	125.7	267.5
Q4	154.0	91.5	27.1	18.5	11.5					394.6	127.1	262.6
1999 Q1	153.5	91.2	26.8	18.2	11.7					394.9	125.7	264.9
Q2	154.6	92.2	26.8	18.2	11.8					399.7	132.3	263.0
Q3	155.2	92.6	26.7	18.2	12.1					392.2	140.2	246.1
Q4	154.9	92.0	26.8	18.2	12.2					383.6	131.8	245.5
2000 Q1	155.4	90.6	27.4	18.9	12.6	1,511.4	399.1	173.5	938.8	392.8	124.7	262.6
Q2	156.6	89.8	27.8	19.6	13.3	1,574.8	414.5	182.6	977.7	360.6	122.9	230.4
Q3	157.2	90.9	27.6	19.5	13.1	1,584.2	422.4	189.4	972.4	358.1	118.5	232.6
Q4	157.4	90.8	27.4	19.1	12.9	1,595.5	413.3	182.0	1,000.2	353.0	117.7	231.4
2001 Q1	156.6	90.1	27.4	19.0	12.8	1,564.6	403.0	178.8	982.8	346.9	123.1	221.1
Q2	156.6	91.1	27.3	18.5	12.4	1,598.0	411.7	187.9	998.3	359.2	120.5	234.4
Q3	156.9	92.0	27.1	18.4	12.3	-	-	-	-	372.4	128.9	239.8
Q4	-	-	-	-	-	-	-	-	-	363.2	119.7	238.0
% change year-over-year last available quarter	-0.2%	1.3%	-1.7%	-5.7%	-6.7%	1.5%	-0.7%	2.9%	2.1%	2.9%	1.7%	2.9%
Monthly												
Jan-01										338.2	113.7	223.1
Feb-01										346.7	128.4	214.3
Mar-01										355.9	127.2	225.8
Apr-01										356.2	123.0	229.1
May-01										356.2	117.3	234.5
Jun-01										365.1	121.3	239.6
Jul-01										377.8	124.3	249.3
Aug-01										374.6	135.9	235.3
Sep-01										364.8	126.6	234.9
Oct-01										366.8	128.4	233.6
Nov-01										365.3	118.2	241.4
Dec-01										357.6	112.5	239.0
year-to-date										360.4	123.1	233.3
% change year-over-year last available month										-0.2%	-0.7%	-1.1%

Notes:

* Total self-employed includes persons working in family business without pay

[1] Source: Business Register

[2] Source: Survey of Employment, Payroll and Hours

[3] Source: Labour Force Survey

Source: Statistics Canada.
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Period	Business Formation Indicators: New BC Business Incorporations	Business Formation Indicators: Registrations Extraprovincial Companies (number)	Business Formation Indicators: Registrations Unincorporated Businesses	Bankruptcies: Business (number)	Bankruptcies: Consumer (number)
Annual Totals					
1993	22,955	1,778	15,939	830	4,041
1994	25,774	1,915	18,293	827	4,197
1995	23,846	1,966	19,279	973	4,747
1996	22,848	2,061	20,387	948	6,436
1997	22,958	2,188	19,663	895	7,366
1998	20,759	2,233	19,507	1,031	7,327
1999	21,009	2,366	20,917	1,075	8,179
2000	21,515	2,528	20,822	976	9,181
% change 1999-2000	2.4%	6.8%	-0.5%	-9.2%	12.3%
Quarterly Totals					
1997 Q1	5,976	590	4,973	253	1,882
Q2	5,908	587	5,339	246	1,917
Q3	5,463	502	4,835	171	1,853
Q4	5,503	515	4,317	218	1,627
1998 Q1	5,412	632	4,668	208	1,663
Q2	5,270	584	5,907	261	2,107
Q3	5,154	525	4,749	289	1,752
Q4	4,923	492	4,183	275	1,805
1999 Q1	5,188	578	5,015	284	2,024
Q2	5,362	637	5,612	274	2,138
Q3	5,322	556	5,093	274	1,919
Q4	5,137	595	5,197	243	2,098
2000 Q1	6,011	651	5,626	250	2,354
Q2	5,471	680	5,590	243	2,350
Q3	5,044	578	5,026	251	2,216
Q4	4,989	619	4,580	232	2,261
2001 Q1	5,236	714	5,400	272	2,503
Q2	4,997	663	5,853	270	2,483
Q3	4,504	546	4,959	236	2,232
Q4	-	-	-	-	-
% change year-over-year last available quarter	-10.7%	-5.5%	-1.3%	-6.0%	0.7%
Monthly					
Jan-01	1,595	221	1,426	93	773
Feb-01	1,466	225	1,952	86	818
Mar-01	2,175	268	2,022	93	912
Apr-01	1,494	196	1,687	92	744
May-01	1,842	275	2,394	90	892
Jun-01	1,661	192	1,572	88	847
Jul-01	1,585	217	1,609	79	694
Aug-01	1,536	170	2,053	87	827
Sep-01	1,383	159	1,297	70	711
Oct-01	1,785	219	1,992	117	840
Nov-01	1,667	193	1,803	109	795
Dec-01	-	-	-	-	-
year-to-date	18,189	2,335	20,007	1,004	8,853
% change year-over-year last available month	-0.9%	-11.9%	24.9%	17.2%	-3.3%

Sources: BC Ministry of Finance and Corporate Relations, Industry Canada.

Period	Interest Rates			Exchange Rate	Consumer Price Index		
	Bank Rate	Prime Rate	Conventional 5 Year Mortgage	Canadian $ Average Noon Spot Rate	BC	Vancouver*	Victoria*
	(per cent)			(U.S. ¢)	(1992=100)		
Annual Averages							
1993	5.09	5.94	8.78	77.55	103.5	103.6	103.0
1994	5.77	6.88	9.53	73.24	105.5	105.7	105.1
1995	7.31	8.65	9.16	72.88	107.9	108.4	107.7
1996	4.53	6.06	7.93	73.34	108.9	109.2	108.7
1997	3.52	4.96	7.07	72.24	109.7	109.8	109.7
1998	5.10	6.60	6.93	67.48	110.0	110.4	110.0
1999	4.92	6.44	7.56	67.32	111.2	111.4	111.1
2000	5.77	7.27	8.35	67.34	113.3	113.9	113.0
% change 1999-2000	N/A	N/A	N/A	0.0%	1.8%	2.2%	1.7%
difference 1999-2000	0.85	0.83	0.79	N/A	N/A	N/A	N/A
Quarterly Averages							
1998 Q1	4.83	6.33	6.85	69.92	109.7	110.0	109.8
Q2	5.00	6.50	6.95	69.13	110.2	110.6	110.2
Q3	5.25	6.75	7.08	66.03	110.3	110.5	110.1
Q4	5.33	6.83	6.83	64.84	109.9	110.2	109.9
1999 Q1	5.17	6.75	6.92	66.17	110.1	110.3	110.0
Q2	4.83	6.33	7.32	67.90	111.2	111.4	111.1
Q3	4.75	6.25	7.75	67.30	112.0	112.1	111.9
Q4	4.92	6.42	8.25	67.90	111.6	111.8	111.5
2000 Q1	5.25	6.75	8.48	68.80	111.7	112.1	111.5
Q2	5.83	7.33	8.52	67.56	112.8	113.3	112.7
Q3	6.00	7.50	8.25	67.47	114.2	115.0	113.7
Q4	6.00	7.50	8.15	65.55	114.4	115.1	114.0
2001 Q1	5.58	7.08	7.58	65.47	113.5	114.4	112.5
Q2	4.83	6.33	7.67	64.89	115.6	116.3	114.8
Q3	4.17	5.67	7.50	64.69	116.4	117.2	115.4
Q4	2.67	4.17	6.87	63.28	-	-	-
% change year-over-year last available quarter	N/A	N/A	N/A	-3.5%	1.9%	1.9%	1.5%
difference year-over-year last available quarter	-3.33	-3.33	-1.28	N/A	N/A	N/A	N/A
Monthly							
Jan-01	5.75	7.25	7.75	66.53	114.5	115.3	113.8
Feb-01	5.75	7.25	7.75	65.71	112.6	113.9	111.3
Mar-01	5.25	6.75	7.25	64.16	113.3	114.0	112.4
Apr-01	5.00	6.50	7.50	64.21	115.0	115.7	114.2
May-01	4.75	6.25	7.75	64.87	115.6	116.3	114.8
Jun-01	4.75	6.25	7.75	65.60	116.3	117.0	115.4
Jul-01	4.50	6.00	7.75	65.34	116.3	117.0	115.4
Aug-01	4.25	5.75	7.60	64.93	116.1	117.0	115.2
Sep-01	3.75	5.25	7.15	63.79	116.7	117.5	115.7
Oct-01	3.00	4.50	6.90	63.65	115.8	116.5	115.2
Nov-01	2.50	4.00	6.85	62.80	114.9	115.6	114.4
Dec-01	2.50	4.00	6.85	63.39	-	-	-
% change year-over-year last available month	-58.3%	-46.7%	-13.8%	-3.5%	0.3%	0.3%	0.3%

* Census Metropolitan Area

Sources: Bank of Canada, Statistics Canada.

Period	Commercial Building Permits			Industrial Building Permits			Urban Housing Starts	
	BC	Vancouver*	Victoria*	BC	Vancouver*	Victoria*	BC	Vancouver*
	($ thousands)			($ thousands)			(number)	
Annual Totals								
1993	892,174	503,579	70,227	177,800	74,696	4,960	38,173	21,307
1994	1,075,471	632,415	84,002	175,311	69,495	7,963	34,619	20,473
1995	1,026,994	595,457	57,744	249,688	108,665	10,626	23,604	14,992
1996	1,225,837	675,541	88,661	252,646	151,875	5,499	24,744	15,453
1997	1,358,450	849,207	78,280	285,814	163,773	6,777	25,210	15,950
1998	1,311,124	810,117	76,173	273,279	160,652	15,858	17,631	11,878
1999	1,142,105	652,159	101,453	319,145	172,604	5,931	14,176	8,677
2000	1,297,270	868,865	76,834	295,525	147,574	14,763	12,353	8,203
% change 1999-2000	13.6%	33.2%	-24.3%	-7.4%	-14.5%	148.9%	-12.9%	-5.5%
Quarterly Totals								
1997 Q1	244,810	158,530	14,725	45,990	22,870	1,480	4,439	2,716
Q2	426,285	254,013	30,737	84,014	49,748	747	8,035	5,136
Q3	286,278	141,968	23,128	99,072	58,733	3,129	7,126	4,614
Q4	416,472	309,407	14,852	84,482	56,499	1,023	6,288	4,116
1998 Q1	242,540	170,981	12,321	66,397	47,375	6,817	4,067	2,880
Q2	345,884	189,811	36,755	57,163	27,264	4,232	4,957	3,318
Q3	416,912	261,252	13,048	97,057	60,509	1,566	5,291	3,489
Q4	305,788	188,073	14,049	52,662	25,504	3,243	3,316	2,191
1999 Q1	226,757	135,329	25,624	41,266	17,534	3,190	2,709	1,951
Q2	311,707	170,971	19,066	103,901	71,354	789	3,507	1,861
Q3	311,474	193,701	21,393	109,850	62,438	479	4,148	2,497
Q4	292,167	152,158	35,370	64,128	21,278	1,473	3,812	2,368
2000 Q1	310,172	243,234	10,966	60,084	20,194	1,258	2,219	1,527
Q2	363,163	205,899	30,805	83,816	44,182	6,223	3,559	2,468
Q3	336,460	218,441	17,911	78,563	41,930	364	3,310	1,989
Q4	287,475	201,291	17,152	73,062	41,268	6,918	3,265	2,219
2001 Q1	273,963	162,249	23,467	65,088	30,677	9,500	2,946	2,149
Q2	406,197	271,274	26,720	56,935	21,011	2,103	4,619	3,620
Q3	280,557	158,917	15,570	56,947	29,025	7,451	4,176	2,802
Q4	-	-	-	-	-	-	-	-
% change year-over-year last available quarter	-16.6%	-27.2%	-13.1%	-27.5%	-30.8%	1947.0%	26.2%	40.9%
Monthly								
Jan-01	55,901	37,370	4,878	13,334	6,813	1,350	1,191	1,013
Feb-01	113,790	66,435	6,391	17,744	7,317	1,663	949	611
Mar-01	104,272	58,444	12,198	34,010	16,547	6,487	806	525
Apr-01	146,534	115,755	7,980	21,389	6,554	1,229	1,368	1,005
May-01	123,205	89,936	7,694	18,884	6,205	732	1,618	1,319
Jun-01	136,458	65,583	11,046	16,662	8,252	142	1,633	1,296
Jul-01	112,521	77,578	5,329	20,135	6,993	4,415	1,500	1,111
Aug-01	98,584	44,788	2,779	20,077	11,922	2,797	1,189	739
Sep-01	69,452	36,551	7,462	16,735	10,110	239	1,487	952
Oct-01	103,439	78,083	5,636	17,668	9,748	1,376	1,529	788
Nov-01	55,603	27,382	2,394	14,638	7,562	739	1,376	750
Dec-01	-	-	-	-	-	-	-	-
year-to-date	1,119,759	697,905	73,787	211,276	98,023	21,169	14,646	10,109
% change year-over-year last available month	-12.0%	-25.9%	-76.2%	-39.2%	-42.5%	-5.1%	56.9%	43.7%

* Census Metropolitan Area

Sources: Canada Mortgage and Housing, Statistics Canada.
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Period	Chartered Bank Business Loans in British Columbia			
	Less than $200,000	$200,000 to $500,000	Greater than $500,000	Total
	($ millions)			
Annual Averages				
1993	1,480	1,003	8,897	11,380
1994	1,779	1,222	8,551	11,551
1995	1,791	1,451	9,043	12,284
1996	1,861	1,508	9,162	12,530
1997	1,985	1,724	10,081	13,790
1998	2,172	1,825	11,077	15,074
1999	2,084	1,710	10,807	14,601
2000	2,045	1,605	10,575	14,224
% change 1999-2000	-1.9%	-6.2%	-2.1%	-2.6%
Quarterly				
1994 Q1	1,729	1,106	8,518	11,353
Q2	1,803	1,183	8,444	11,430
Q3	1,704	1,298	8,938	11,940
Q4	1,878	1,301	8,303	11,482
1995 Q1	1,694	1,413	9,268	12,375
Q2	1,779	1,457	9,047	12,283
Q3	1,832	1,462	9,020	12,314
Q4	1,859	1,471	8,835	12,165
1996 Q1	1,860	1,487	8,988	12,335
Q2	1,893	1,512	9,094	12,499
Q3	1,864	1,501	9,252	12,617
Q4	1,825	1,533	9,312	12,670
1997 Q1	1,686	1,534	9,853	13,073
Q2	2,068	1,751	9,751	13,570
Q3	2,088	1,770	10,337	14,195
Q4	2,098	1,841	10,384	14,323
1998 Q1	2,180	1,842	11,115	15,137
Q2	2,174	1,842	11,338	15,354
Q3	2,178	1,816	11,104	15,098
Q4	2,157	1,801	10,750	14,708
1999 Q1	2,128	1,792	10,908	14,828
Q2	2,108	1,735	10,975	14,818
Q3	2,080	1,686	10,876	14,642
Q4	2,020	1,627	10,467	14,114
2000 Q1	2,035	1,631	10,636	14,302
Q2	2,063	1,638	10,812	14,513
Q3	2,059	1,586	10,608	14,253
Q4	2,021	1,564	10,244	13,829
2001 Q1	1,942	1,561	10,171	13,674
Q2	1,890	1,539	9,552	12,981
Q3	1,873	1,502	9,599	12,974
Q4	-	-	-	-
% change year-over-year last available quarter	-9.0%	-5.3%	-9.5%	-9.0%

Source: Bank of Canada.

Manufacturers' Outlook for Business Conditions
Companies With Annual Shipments Less Than $10 Million

Period	Balance of Opinion at the Beginning of Quarter* (net of positive & negative percentages)			Percent of Manufacturers Experiencing Production Difficulties From:		
	Inventory Levels High or Low	Orders Rising or Falling	Anticipated Production This Quarter	Working Capital Shortage	Skilled Labour Shortage	Unskilled Labour Shortage
	(index)			(%)		
Annual Averages						
1992	12	-11	-6	14	10	1
1993	7	2	3	17	13	1
1994	9	16	13	15	18	1
1995	9	2	4	16	16	2
1996	4	-6	-2	12	15	1
1997	3	6	4	11	15	2
1998	7	-15	-9	10	14	1
1999	6	-4	7	10	16	1
2000	7	-1	5	11	21	2
2001	9	-22	-10	10	19	3
Quarterly						
1996 Q1	3	-21	-21	12	14	2
Q2	10	-6	15	15	14	0
Q3	1	-1	6	10	17	1
Q4	1	5	-9	9	14	2
1997 Q1	0	-9	-10	10	15	2
Q2	0	9	25	12	13	1
Q3	8	16	13	12	14	1
Q4	4	7	-11	8	17	3
1998 Q1	6	1	-9	9	13	0
Q2	6	-12	18	11	12	1
Q3	9	-22	-15	13	16	0
Q4	8	-25	-29	8	16	3
1999 Q1	6	-32	-20	8	12	2
Q2	5	5	29	11	14	0
Q3	8	8	21	9	14	1
Q4	4	4	-3	12	25	2
2000 Q1	4	-1	-5	10	19	1
Q2	9	13	24	11	23	2
Q3	7	-6	7	14	19	2
Q4	6	-8	-5	10	23	4
2001 Q1	7	-20	-8	11	18	2
Q2	13	-14	13	9	22	3
Q3	8	-25	-7	8	16	2
Q4	9	-27	-37	10	19	3

* **Note:** For Inventory Levels, a positive balance indicates too much inventory, and is thus unfavourable. For New Orders and Production, a positive balance of opinion is favourable.

Note: These data are gathered from the *Business Conditions Survey*, which is conducted quarterly in January, April, July and October. Most responses are recorded in the first two weeks of these months. Manufacturers with more employees have a correspondingly larger impact on the results.

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Manufacturers' Outlook for Business Conditions
Companies With Annual Shipments of $10 Million or More

Period	Balance of Opinion at the Beginning of Quarter* (net of positive & negative percentages)			Percent of Manufacturers Experiencing Production Difficulties From:		
	Inventory Levels High or Low	Orders Rising or Falling	Anticipated Production This Quarter	Working Capital Shortage	Skilled Labour Shortage	Unskilled Labour Shortage
	(index)			(%)		
Annual Averages						
1992	25	-10	-7	19	2	0
1993	30	2	3	10	3	0
1994	18	12	6	8	6	0
1995	17	1	-1	6	5	0
1996	30	-7	-7	6	3	0
1997	29	0	4	5	3	0
1998	37	-26	-7	8	3	0
1999	18	3	6	7	4	0
2000	20	1	3	4	7	2
2001	35	-37	-14	7	8	1
Quarterly						
1996 Q1	37	-29	-12	8	2	0
Q2	33	-14	-3	8	7	0
Q3	29	10	-2	6	1	0
Q4	21	7	-10	2	1	0
1997 Q1	31	-6	-1	5	1	0
Q2	31	4	15	4	4	0
Q3	24	7	13	6	4	0
Q4	28	-4	-13	6	3	0
1998 Q1	42	-33	-22	7	2	0
Q2	34	-9	1	8	4	0
Q3	33	-33	-2	11	3	0
Q4	38	-30	-4	6	2	1
1999 Q1	25	-24	-4	4	2	0
Q2	22	2	8	12	2	0
Q3	14	23	18	5	5	0
Q4	11	12	0	7	6	0
2000 Q1	14	13	8	5	10	3
Q2	24	11	10	5	10	3
Q3	29	-12	2	1	2	0
Q4	11	-7	-8	5	5	0
2001 Q1	32	-26	-12	3	6	0
Q2	38	-42	-3	5	8	0
Q3	39	-37	-19	8	7	1
Q4	30	-42	-21	11	10	1

* **Note:** For Inventory Levels, a positive balance indicates too much inventory, and is thus unfavourable. For New Orders and Production, a positive balance of opinion is favourable.

Note: These data are gathered from the *Business Conditions Survey*, which is conducted quarterly in January, April, July and October. Most responses are recorded in the first two weeks of these months. Manufacturers with more employees have a correspondingly larger impact on the results.

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BRITISH COLUMBIA

BC STATS

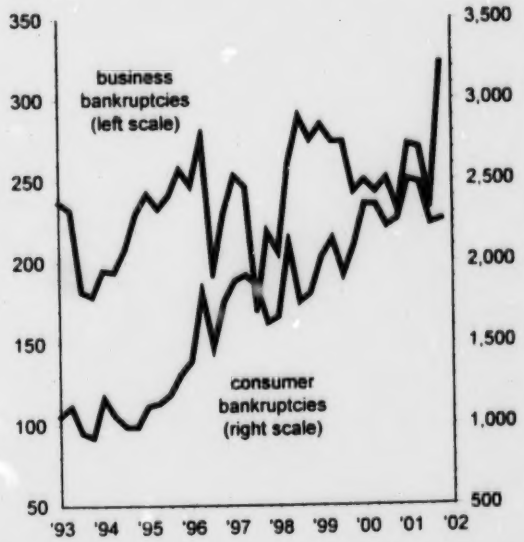
Ministry of Management Services

Contact: Dan Schrier
Tel: (250) 387-0376
Release: March 2002
Issue: 01-4

Small Business Quarterly ◆ Fourth Quarter 2001

- The number of employees of small businesses experienced a modest increase (+0.5%) in the third quarter of 2001 compared to the same period in 2000. All the growth occurred in businesses employing between 20-49 employees (+2.0%), as employment in businesses with fewer than 20 employees dropped 1.0%.
- The number of self-employed in British Columbia continued to rise in the fourth quarter of 2001, up 2.9% from the fourth quarter of 2000. Both self-employed with (+1.7%) and without (+2.9%) paid help showed year-over-year increases.
- The number of small businesses in British Columbia (excluding self-employed persons) was unchanged from fourth quarter 2000 to fourth quarter 2001. Micro-businesses (i.e., those employing less than 5 people) increased 2.2%, but all other size categories experienced some decline. Businesses with 5 to 9 employees fell 1.0% and the number of businesses with 10 to 19 employees dropped 4.3%. The largest decline was in the 20 to 49 employee category, which was down 5.7%. Annually, the pattern was similar, with only 0.1% growth from 2000 to 2001 overall, but 1.1% growth in micro-businesses and declines in all other size categories.
- After five consecutive quarters of declines, new business incorporations rose slightly year-over-year in the fourth quarter of 2001. However, the annual average for 2001 was substantially off the pace in 2000 (-8.2%).
- Business bankruptcies were way up in the fourth quarter with a year-over-year increase of 38.8%. The increase may be a combination of fallout from the September 11th terrorist attacks and the effects of heavy duties in the softwood lumber sector that are driving small operators out of business. Annually, business bankruptcies were 12.7% higher than in 2000. Consumer bankruptcies were also up (3.2%) compared to the previous year.
- The number of commercial building permits issued in BC dropped 9.7% in 2001. Industrial business permits experienced an even greater decrease, falling 25.1%. However, Victoria bucked the trend, with annual increases in both commercial (+12.9%) and industrial (+48.0%) permits.
- Urban housing starts were up 27.0% in BC in 2001, with much of that increase occurring in Vancouver (+32.4%).

Business bankruptcies increased significantly in 2001 and consumer bankruptcies continue to trend up



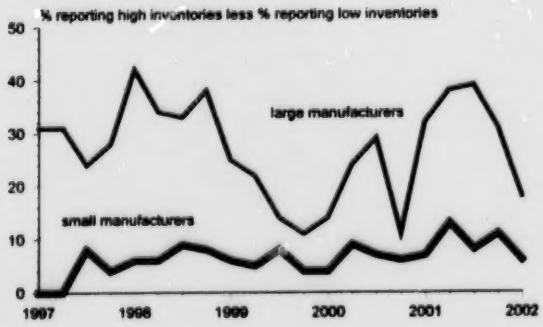
Expectations of Manufacturers Showing Signs of Improvement

At the beginning of every quarter, Statistics Canada surveys Canadian manufacturers for their opinions regarding current business conditions. The results of the most recent *Business Conditions Survey* done in January suggest that manufacturers in British Columbia are somewhat more optimistic compared to the bleak expectations for 2001. However, many manufacturers still report problems.

Inventories

On balance, manufacturers in BC feel that inventories are too high.[1] Although the percentage of producers reporting high inventories has fallen from the 35 to 40 percent range reported during 2001, there are still 24% of manufacturers that feel inventories need to be brought down.

The balance of opinion is that inventories are too high, particularly for large manufacturers

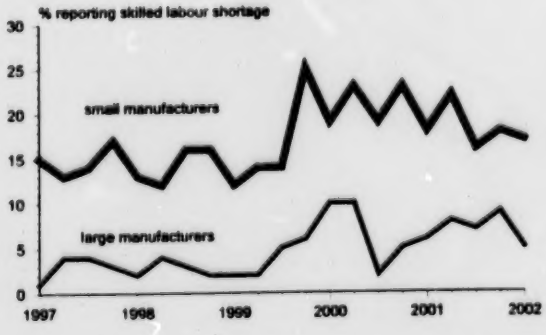


Larger manufacturers (with annual shipments of $10 million or more) are far more likely to carry excess inventories than are smaller producers. Most of the improvement in satisfaction with inventory levels was with the larger manufacturers, with the percentage of those feeling inventories were too high dropping from 41% in the fourth quarter of 2001 to 25% in the first quarter of 2002. The balance of opinion of larger manufacturers (i.e., the percentage point difference between those feeling inventories are too high and those feeling inventories are too low) fell from 31 to 18.

Production difficulties

There was a slight improvement in the incidence of production impediments, with 64% of all BC manufacturers surveyed reporting no production difficulties, up from 62% in the previous quarter. Reported difficulties included working capital shortage (9% of all manufacturers), raw material shortage (9%), labour shortage (6% skilled, 1% unskilled) and other problems (17%). Once again there is a significant difference between the problems experienced by larger and smaller manufacturers. Labour shortages, particularly skilled labour, are more prone to affect smaller producers, with 21% reporting a shortage of labour (17% skilled, 4% unskilled), compared to only 6% of larger manufacturers (5% skilled, 1% unskilled). This is likely due to the fact that the larger producers can afford to pay higher wages and therefore tend to attract a greater portion of the available skilled workers.

Small manufacturers are more likely to experience a shortage of skilled labour



[1] Note that all figures quoted in this article are seasonally adjusted except for sources of production difficulties.

Despite the fact that a significant portion of manufacturers report labour shortages, only 5% of the companies surveyed suggested that they were looking to increase employment, and all of these were firms with less than 300 employees. In fact, the balance of opinion was that employment would contract, with 20% reporting that they were looking to reduce their workforce.

Orders

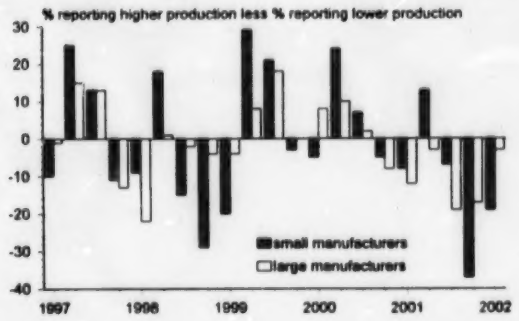
Although on balance more manufacturers expected the number of new orders to fall than to rise, far fewer companies were predicting a decline in new orders compared to the previous quarter and more firms thought orders would increase. In the fourth quarter of 2001, 49% of manufacturers were concerned about falling orders, and 10% believed the number of new orders was rising for a difference of 39 percentage points. In the first quarter of 2002, only 24% reported falling orders and 17% suggested orders were increasing, for a net difference of only 7 percentage points. Most of the improvement occurred for the larger manufacturers whose balance of opinion changed from –39 (percent of orders rising minus falling) to –5. In fact, for smaller manufacturers, the balance of opinion dropped to –30 from –28.

There was also some improvement in the percentage of producers reporting a backlog of unfilled orders. The balance of opinion increased 18 points from –48 to –30.

Production Volume

There were still more manufacturers planning to cut production (20%) than those expecting to increase production (16%), although the balance of opinion (-4) was significantly improved from that in the fourth quarter of 2001 (-19).

The balance of opinion for expected volume of production varies depending on the size of the manufacturer



Smaller producers tended to be more pessimistic on the whole with regard to anticipated production levels. Compared to larger firms where only 18% expected to reduce production, 38% of smaller firms reported that inclination, a difference of 20 percentage points. The balance of opinion varied from –19 for smaller manufacturers to –3 for the larger producers.

Outlook

Although the balance of opinion for manufacturers in British Columbia is that inventories are too high, new orders are declining and production levels will fall, the outlook is far better than it was three months earlier. More producers are reporting a rise in the number of new orders and an anticipation of ramping up production compared to the previous quarter. This may be an indication that the economy is starting to work its way out of a recession and toward recovery.

Feature Articles Listed by Issue Number

01-3: *'Business and Consumer Bankruptcies are on the Rise in BC'* (released Jan.2002)

01-2: *'The Benefits and Costs of a Higher Minimum Wage'* (released Nov.2001)

01-1: *'Small Business On-Line: Internet Use Among SMEs'* (released Sept. 2001)

00-4: *'Co-operatives Grew Steadily Throughout the 1990s'* (released May 2001)

00-3: *'Profile of Self-Employed in British Columbia'* (released Mar.2001)

00-2: *'Latest Small Business Employment Numbers Show Three Year Changes'* (released Jan. 2001)

00-1: *'Some Distinctive Features of The Small Business Workplace'* (released Oct. 2000)

99-4: *'Transfers of Corporate Charters to Other Provinces Suggest Business Migration From British Columbia'* (released July 2000)

99-3: *'755 Thousand British Columbians Rely On Small Businesses For Jobs'* (released Mar 2000)

99-2: *'A Quarter of All Employees In British Columbia Work For Small Employers'* (released Nov 1999)

99-1: *'Self-Employment In British Columbia Takes On New Profile'* (released Sep 1999)

98-4: *'Co-Operative Movement Grows Through the 1990s'* (released Apr 1999)

98-3: *'The Long and the Short of Working Hours For Self-Employed'* (released Dec1998)

98-2: *'People Trying Self-Employment As A Second Job'* (released Aug 1998)

98-1: *'British Columbians Still Making Their Own Jobs'* (released May 1998)

97-4: *'Business Bankruptcies Ease With Low Interest Rates, But Consumer Bankruptcies Continue to Climb'* (released Mar 1998)

97-3: *'Co-operative Movement Grows Steadily In British Columbia'* (released Jan 1998)

97-2: *'Doing Our Thing In Lotusland – The New Self-Employed In British Columbia'* (released Sep 1997)

97-1: *'Immigrants Boost Self-Employment In British Columbia'* (released Aug 1997)

96-4: *'More British Columbia Companies Shift Corporate Charters to Alberta and Ontario'* (released Apr 1997)

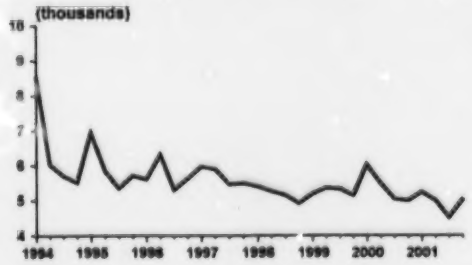
96-3: *'Changes in Business Confidence Expressed In Numbers of New Incorporations'* (released Mar 1997)

96-2: *'Bankruptcies Rise With Self-Employment and Mounting Consumer Debt Loads'* (released Oct 1996)

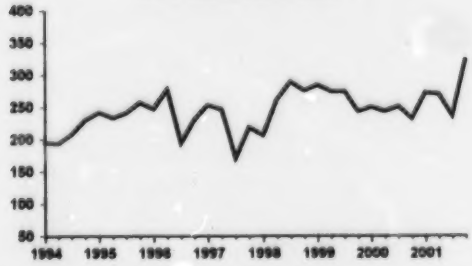
96-1: *'Counting the Business Community in British Columbia'* (released Jul 1996)

Business Counts, Formations and Failures

New Business Incorporations in British Columbia

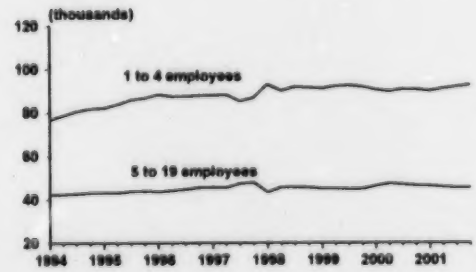


Number of Business Bankruptcies in British Columbia



Self-Employed Persons

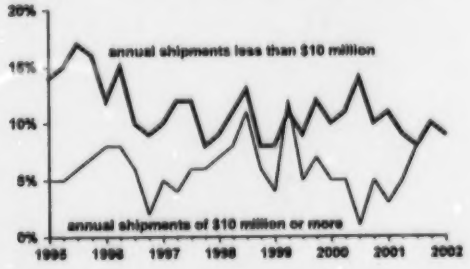
Small Businesses With Employees



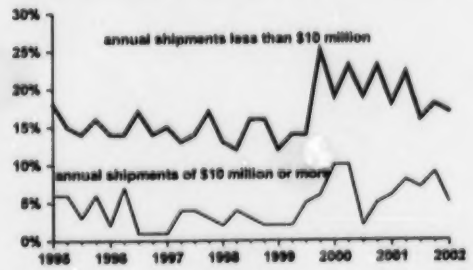
Business Conditions

Balance of Opinion on New Orders Received at Start of Quarter

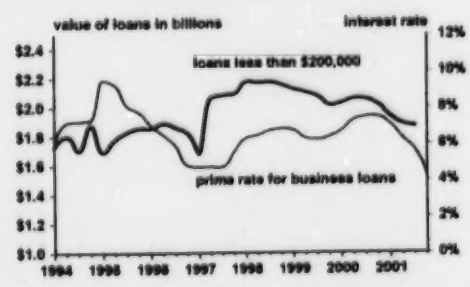
Per Cent of Manufacturers Experiencing Shortage of Working Capital



Per Cent of Manufacturers Experiencing Shortage of Skilled Labour



Chartered Bank Business Loans in British Columbia



Small Business Quarterly

Table 1

Period	Active Employer Businesses [1] by number of employees					Employment [2] by number of employees in business				Self-employed [3]		
	Total	1-4	5-9	10-19	20-49	Total	1-19	20-49	50+	Total*	with paid help	without paid help
			('000)				('000)				('000)	
Annual Averages												
1996	148.2	87.9	26.5	18.1	10.8					321.3	127.3	189.3
1997	150.9	87.2	27.5	19.2	11.7					361.4	129.0	225.9
1998	153.7	91.6	26.9	18.2	11.5					388.6	123.6	258.3
1999	154.6	92.0	26.8	18.2	11.9					392.6	132.5	254.9
2000	156.6	90.5	27.5	19.3	13.0	1,566.5	412.3	181.9	972.3	366.1	121.0	239.2
2001	156.9	91.5	27.2	18.5	12.4	-	-	-	-	360.4	123.1	233.3
% change 2000-2001	0.1%	1.1%	-1.1%	-3.8%	-4.4%	-	-	-	-	-1.6%	1.7%	-2.5%
Quarterly	*End of Quarter*					*Quarterly*				*Quarterly Averages*		
1998 Q1	152.7	93.0	26.0	17.4	11.0					370.1	121.8	242.5
Q2	153.1	90.1	27.2	18.5	11.8					389.5	120.0	260.4
Q3	154.7	92.0	27.3	18.6	11.5					400.3	125.7	267.5
Q4	154.0	91.5	27.1	18.5	11.5					394.6	127.1	262.6
1999 Q1	153.5	91.2	26.8	18.2	11.7					394.9	125.7	264.9
Q2	154.6	92.2	26.8	18.2	11.8					399.7	132.3	263.0
Q3	155.2	92.6	26.7	18.2	12.1					392.2	140.2	246.1
Q4	154.9	92.0	26.8	18.2	12.2					383.6	131.8	245.5
2000 Q1	155.4	90.6	27.4	18.9	12.6	1,511.4	399.1	173.5	938.8	392.8	124.7	262.6
Q2	156.6	89.8	27.8	19.6	13.3	1,574.8	414.5	182.6	977.7	360.6	122.9	230.4
Q3	157.2	90.9	27.6	19.5	13.1	1,584.2	422.4	189.4	972.4	358.1	118.5	232.6
Q4	157.4	90.8	27.4	19.1	12.9	1,595.5	413.3	182.0	1,000.2	353.0	117.7	231.4
2001 Q1	156.6	90.1	27.4	19.0	12.8	1,564.6	403.0	178.8	982.8	346.9	123.1	221.1
Q2	156.6	91.1	27.3	18.5	12.4	1,598.0	411.7	187.9	998.3	359.2	120.5	234.4
Q3	156.9	92.0	27.1	18.4	12.3	1,592.8	418.3	193.3	981.2	372.4	128.9	239.6
Q4	157.4	92.7	27.1	18.3	12.2	-	-	-	-	363.2	119.7	238.0
% change year-over-year last available quarter	0.0%	2.2%	-1.0%	-4.3%	-5.7%	0.5%	-1.0%	2.0%	0.9%	2.9%	1.7%	2.9%
Monthly												
Mar-01										355.9	127.2	225.8
Apr-01										356.2	123.0	229.1
May-01										356.2	117.3	234.5
Jun-01										365.1	121.3	239.6
Jul-01										377.8	124.3	249.3
Aug-01										374.6	135.9	235.3
Sep-01										364.8	126.6	234.9
Oct-01										366.8	128.4	233.6
Nov-01										365.3	118.2	241.4
Dec-01										357.6	112.5	239.0
Jan-02										367.3	112.1	249.2
Feb-02										361.7	117.8	241.4
year-to-date										364.5	115.0	245.3
% change year-over-year last available month										4.3%	-8.3%	12.6%

Notes:

* Total self-employed includes persons working in family business without pay

[1] Source: Business Register

[2] Source: Survey of Employment, Payroll and Hours

[3] Source: Labour Force Survey

Source: Statistics Canada.
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Period	Business Formation Indicators: New BC Business Incorporations	Business Formation Indicators: Registrations Extraprovincial Companies (number)	Business Formation Indicators: Registrations Unincorporated Businesses	Bankruptcies: Business (number)	Bankruptcies: Consumer (number)
Annual Totals					
1993	22,955	1,778	15,939	830	4,041
1994	25,774	1,915	18,293	827	4,197
1995	23,846	1,966	19,279	973	4,747
1996	22,848	2,061	20,367	948	6,436
1997	22,958	2,188	19,863	895	7,366
1998	20,759	2,233	19,507	1,031	7,327
1999	21,009	2,366	20,917	1,075	8,179
2000	21,515	2,528	20,822	976	9,181
2001	19,749	2,479	21,306	1,100	9,474
% change 2000-2001	-8.2%	-1.9%	2.3%	12.7%	3.2%
Quarterly Totals					
1998 Q1	5,412	632	4,668	206	1,663
Q2	5,270	584	5,907	261	2,107
Q3	5,154	525	4,749	289	1,752
Q4	4,923	492	4,183	275	1,805
1999 Q1	5,188	578	5,015	284	2,024
Q2	5,362	637	5,612	274	2,138
Q3	5,322	556	5,093	274	1,919
Q4	5,137	595	5,197	243	2,098
2000 Q1	6,011	651	5,626	250	2,354
Q2	5,471	680	5,590	243	2,350
Q3	5,044	578	5,026	251	2,216
Q4	4,989	619	4,580	232	2,261
2001 Q1	5,236	714	5,400	272	2,503
Q2	4,997	663	5,853	270	2,483
Q3	4,504	546	4,959	236	2,232
Q4	5,012	556	5,094	322	2,256
year last available quarter	0.5%	-10.2%	11.2%	38.8%	-0.2%
Monthly					
Mar-01	2,175	268	2,022	93	912
Apr-01	1,494	196	1,887	92	744
May-01	1,842	275	2,394	90	892
Jun-01	1,661	192	1,572	88	847
Jul-01	1,585	217	1,609	79	694
Aug-01	1,536	170	2,053	87	827
Sep-01	1,383	159	1,297	70	711
Oct-01	1,785	219	1,992	117	840
Nov-01	1,667	193	1,803	109	795
Dec-01	1,560	144	1,299	96	621
Jan-02	1,504	165	1,807	103	805
Feb-02	1,876	214	1,890	-	-
year-to-date	3,380	379	3,697	103	805
% change year-over-year last available month	28.0%	-4.9%	-3.2%	10.8%	4.1%

Sources: BC Ministry of Finance and Corporate Relations, Industry Canada.

Period	Interest Rates			Exchange Rate	Consumer Price Index		
	Bank Rate	Prime Rate	Conventional 5 Year Mortgage	Canadian $ Average Noon Spot Rate	BC	Vancouver*	Victoria*
	(per cent)			(U.S. ¢)	(1992=100)		
Annual Averages							
1995	7.31	8.65	9.16	72.88	107.9	108.4	107.7
1996	4.53	6.06	7.93	73.34	108.9	109.2	108.7
1997	3.52	4.96	7.07	72.24	109.7	109.8	109.7
1998	5.10	6.60	6.93	67.48	110.0	110.4	110.0
1999	4.92	6.44	7.56	67.32	111.2	111.4	111.1
2000	5.77	7.27	8.35	67.34	113.3	113.9	113.0
2001	4.31	5.81	7.40	64.58	115.2	116.0	114.3
% change 2000-2001	N/A	N/A	N/A	-4.1%	1.7%	1.8%	1.2%
difference 2000-2001	-1.46	-1.46	-0.95	N/A	N/A	N/A	N/A
Quarterly Averages							
1998 Q1	4.83	6.33	6.85	69.92	109.7	110.0	109.8
Q2	5.00	6.50	6.95	69.13	110.2	110.6	110.2
Q3	5.25	6.75	7.08	66.03	110.3	110.6	110.1
Q4	5.33	6.83	6.83	64.84	109.9	110.2	109.9
1999 Q1	5.17	6.75	6.92	66.17	110.1	110.3	110.0
Q2	4.83	6.33	7.32	67.90	111.2	111.4	111.1
Q3	4.75	6.25	7.75	67.30	112.0	112.1	111.9
Q4	4.92	6.42	8.25	67.90	111.6	111.8	111.5
2000 Q1	5.25	6.75	8.48	68.80	111.7	112.1	111.5
Q2	5.83	7.33	8.52	67.56	112.8	113.3	112.7
Q3	6.00	7.50	8.25	67.47	114.2	115.0	113.7
Q4	6.00	7.50	8.15	65.55	114.4	115.1	114.0
2001 Q1	5.58	7.08	7.58	65.47	113.5	114.4	112.5
Q2	4.83	6.33	7.67	64.89	115.6	116.3	114.8
Q3	4.17	5.67	7.50	64.69	116.4	117.2	115.4
Q4	2.67	4.17	6.87	63.28	115.2	116.0	114.6
% change year-over-year last available quarter	N/A	N/A	N/A	-3.5%	0.6%	0.8%	0.6%
difference year-over-year last available quarter	-3.33	-3.33	-1.28	N/A	N/A	N/A	N/A
Monthly							
Mar-01	5.25	6.75	7.25	64.16	113.3	114.0	112.4
Apr-01	5.00	6.50	7.50	64.21	115.0	115.7	114.2
May-01	4.75	6.25	7.75	64.87	115.6	116.3	114.8
Jun-01	4.75	6.25	7.75	65.60	116.3	117.0	115.4
Jul-01	4.50	6.00	7.75	65.34	116.3	117.0	115.4
Aug-01	4.25	5.75	7.60	64.93	116.1	117.0	115.2
Sep-01	3.75	5.25	7.15	63.79	116.7	117.5	115.7
Oct-01	3.00	4.50	6.90	63.65	115.8	116.5	115.2
Nov-01	2.50	4.00	6.85	62.80	114.9	115.6	114.4
Dec-01	2.50	4.00	6.85	63.39	114.8	115.8	114.3
Jan-02	2.25	3.75	7.00	62.49	115.4	116.3	114.9
Feb-02	2.25	3.75	6.85	62.66	115.9	116.6	115.4
% change year-over-year last available month	-60.9%	-48.3%	-11.6%	-4.6%	2.9%	2.4%	3.7%

* Census Metropolitan Area

Sources: Bank of Canada, Statistics Canada.

Period	Commercial Building Permits			Industrial Building Permits			Urban Housing Starts	
	BC	Vancouver*	Victoria*	BC	Vancouver*	Victoria*	BC	Vancouver*
	($ thousands)			($ thousands)			(number)	
Annual Totals								
1993	892,174	503,579	70,227	177,800	74,696	4,960	38,173	21,307
1994	1,075,471	632,415	84,002	175,311	69,495	7,963	34,619	20,473
1995	1,023,877	597,580	57,744	247,133	109,178	10,626	23,604	14,992
1996	1,225,837	675,541	86,661	252,646	151,875	5,499	24,744	15,453
1997	1,358,450	849,207	78,280	285,814	163,773	6,777	25,210	15,950
1998	1,311,124	810,117	76,173	273,279	160,652	15,858	17,631	11,878
1999	1,142,105	652,159	101,453	319,145	172,604	5,931	14,176	8,677
2000	1,297,270	868,865	76,834	295,525	147,574	14,763	12,353	8,203
2001	1,171,233	718,860	86,782	221,353	105,178	21,843	15,689	10,862
% change 2000-2001	-9.7%	-17.3%	12.9%	-25.1%	-28.7%	48.0%	27.0%	32.4%
Quarterly Totals								
1998 Q1	242,540	170,981	12,321	66,397	47,375	6,817	4,067	2,880
Q2	345,884	189,811	36,755	57,163	27,264	4,232	4,957	3,318
Q3	416,912	261,252	13,048	97,057	60,509	1,566	5,291	3,489
Q4	305,788	188,073	14,049	52,662	25,504	3,243	3,316	2,191
1999 Q1	226,757	135,329	25,624	41,266	17,534	3,190	2,709	1,951
Q2	311,707	170,971	19,066	103,901	71,354	789	3,507	1,861
Q3	311,474	193,701	21,393	109,850	62,438	479	4,148	2,497
Q4	292,167	152,158	35,370	64,128	21,278	1,473	3,812	2,368
2000 Q1	310,172	243,234	10,966	60,084	20,194	1,258	2,219	1,527
Q2	363,163	205,899	30,805	83,816	44,182	6,223	3,559	2,468
Q3	336,460	218,441	17,911	78,563	41,930	364	3,310	1,989
Q4	287,475	201,291	17,152	73,062	41,268	6,918	3,265	2,219
2001 Q1	273,963	162,249	23,467	65,245	30,677	9,657	2,946	2,149
Q2	406,173	271,274	26,720	56,965	21,011	2,133	4,619	3,620
Q3	280,778	159,138	15,570	57,121	29,033	7,512	4,176	2,802
Q4	210,319	126,199	21,025	42,022	24,457	2,541	3,948	2,291
% change year-over-year last available quarter	-26.8%	-37.3%	22.6%	-42.5%	-40.7%	-63.3%	20.9%	3.2%
Monthly								
Mar-01	104,272	58,444	12,198	34,167	16,547	6,644	806	525
Apr-01	146,510	115,755	7,980	21,389	6,554	1,229	1,368	1,005
May-01	123,205	89,936	7,694	18,884	6,205	732	1,618	1,319
Jun-01	136,458	65,583	11,046	16,692	8,252	172	1,633	1,296
Jul-01	112,742	77,799	5,329	20,184	7,001	4,476	1,500	1,111
Aug-01	98,584	44,788	2,779	20,077	11,922	2,797	1,189	739
Sep-01	69,452	36,551	7,462	16,860	10,110	239	1,487	952
Oct-01	103,408	78,083	5,636	17,653	9,748	1,376	1,529	788
Nov-01	54,871	26,654	2,394	14,551	7,475	739	1,376	750
Dec-01	52,040	21,462	12,995	9,818	7,234	426	1,043	753
Jan-02	67,307	41,084	4,567	9,047	4,583	633	1,310	1,001
Feb-02	-	-	-	-	-	-	1,049	519
year-to-date	67,307	41,084	4,567	9,047	4,583	633	2,359	1,520
% change year-over-year last available month	20.4%	9.9%	-6.4%	-32.2%	-32.7%	-53.1%	10.5%	-15.1%

* Census Metropolitan Area

Sources: Canada Mortgage and Housing, Statistics Canada.

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Period	Chartered Bank Business Loans in British Columbia			
	Less than $200,000	$200,000 to $500,000	Greater than $500,000	Total
	($ millions)			
Annual Averages				
1993	1,480	1,003	8,897	11,380
1994	1,779	1,222	8,551	11,551
1995	1,791	1,451	9,043	12,284
1996	1,861	1,508	9,162	12,530
1997	1,985	1,724	10,081	13,790
1998	2,172	1,825	11,077	15,074
1999	2,084	1,710	10,807	14,601
2000	2,045	1,605	10,575	14,224
2001	1,902	1,534	9,774	13,210
% change 2000-2001	-7.0%	-4.4%	-7.6%	-7.1%
Quarterly				
1994 Q1	1,729	1,106	8,518	11,353
Q2	1,803	1,183	8,444	11,430
Q3	1,704	1,298	8,938	11,940
Q4	1,878	1,301	8,303	11,482
1995 Q1	1,694	1,413	9,268	12,375
Q2	1,779	1,457	9,047	12,283
Q3	1,832	1,462	9,020	12,314
Q4	1,859	1,471	8,835	12,165
1996 Q1	1,860	1,487	8,988	12,335
Q2	1,893	1,512	9,094	12,499
Q3	1,864	1,501	9,252	12,617
Q4	1,825	1,533	9,312	12,670
1997 Q1	1,686	1,534	9,853	13,073
Q2	2,068	1,751	9,751	13,570
Q3	2,088	1,770	10,337	14,195
Q4	2,098	1,841	10,384	14,323
1998 Q1	2,180	1,842	11,115	15,137
Q2	2,174	1,842	11,338	15,354
Q3	2,178	1,816	11,104	15,098
Q4	2,157	1,801	10,750	14,708
1999 Q1	2,128	1,792	10,908	14,828
Q2	2,108	1,735	10,975	14,818
Q3	2,080	1,686	10,876	14,642
Q4	2,020	1,627	10,467	14,114
2000 Q1	2,035	1,631	10,636	14,302
Q2	2,063	1,638	10,812	14,513
Q3	2,059	1,586	10,608	14,253
Q4	2,021	1,564	10,244	13,829
2001 Q1	1,942	1,561	10,171	13,674
Q2	1,890	1,539	9,552	12,981
Q3	1,873	1,502	9,599	12,974
Q4	-	-	-	-
% change year-over-year last available quarter	-9.0%	-5.3%	-9.5%	-9.0%

Source: Bank of Canada.

Period	Manufacturers' Outlook for Business Conditions Companies With Annual Shipments Less Than $10 Million Balance of Opinion at the Beginning of Quarter* (net of positive & negative percentages)			Percent of Manufacturers Experiencing Production Difficulties From:		
	Inventory Levels High or Low	Orders Rising or Falling	Anticipated Production This Quarter	Working Capital Shortage	Skilled Labour Shortage	Unskilled Labour Shortage
	(index)			(%)		
Annual Averages						
1994	9	16	13	15	18	1
1995	9	2	4	16	16	2
1996	4	-6	-2	12	15	1
1997	3	6	4	11	15	2
1998	7	-15	-9	10	14	1
1999	6	-4	7	10	16	1
2000	7	-1	5	11	21	2
2001	10	-22	-10	10	19	3
Quarterly						
1996 Q1	3	-21	-21	12	14	2
Q2	10	-5	15	15	14	0
Q3	1	-1	6	10	17	1
Q4	1	5	-9	9	14	2
1997 Q1	0	-9	-10	10	15	2
Q2	0	9	25	12	13	1
Q3	8	16	13	12	14	1
Q4	4	7	-11	8	17	3
1998 Q1	6	1	-9	9	13	0
Q2	6	-12	18	11	12	1
Q3	9	-22	-15	13	16	0
Q4	8	-25	-29	8	16	3
1999 Q1	6	-32	-20	8	12	2
Q2	5	5	29	11	14	0
Q3	8	8	21	9	14	1
Q4	4	4	-3	12	25	2
2000 Q1	4	-1	-5	10	19	1
Q2	9	13	24	11	23	2
Q3	7	-6	7	14	19	2
Q4	6	-8	-5	10	23	4
2001 Q1	7	-20	-8	11	18	2
Q2	13	-14	13	9	22	3
Q3	8	-25	-7	8	16	2
Q4	11	-28	-37	10	18	3
2002 Q1	6	-30	-19	9	17	4

* **Note:** For Inventory Levels, a positive balance indicates too much inventory, and is thus unfavourable. For New Orders and Production, a positive balance of opinion is favourable.

Note: These data are gathered from the *Business Conditions Survey* which is conducted quarterly in January, April, July and October. Most responses are recorded in the first two weeks of these months. Manufacturers with more employees have a correspondingly larger impact on the results.

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Manufacturers' Outlook for Business Conditions
Companies With Annual Shipments of $10 Million or More

Period	Balance of Opinion at the Beginning of Quarter* (net of positive & negative percentages)			Percent of Manufacturers Experiencing Production Difficulties From:		
	Inventory Levels High or Low	Orders Rising or Falling	Anticipated Production This Quarter	Working Capital Shortage	Skilled Labour Shortage	Unskilled Labour Shortage
	(index)			(%)		
Annual Averages						
1994	18	12	6	8	6	0
1995	17	1	-1	6	5	0
1996	30	-7	-7	6	3	0
1997	29	0	4	5	3	0
1998	37	-26	-7	8	3	0
1999	18	3	6	7	4	0
2000	20	1	3	4	7	2
2001	35	-36	-13	7	8	1
Quarterly						
1996 Q1	37	-29	-12	8	2	0
Q2	33	-14	-3	8	7	0
Q3	29	10	-2	6	1	0
Q4	21	7	-10	2	1	0
1997 Q1	31	-6	-1	5	1	0
Q2	31	4	15	4	4	0
Q3	24	7	13	6	4	0
Q4	28	-4	-13	6	3	0
1998 Q1	42	-33	-22	7	2	0
Q2	34	-9	1	8	4	0
Q3	33	-33	-2	11	3	0
Q4	38	-30	-4	6	2	1
1999 Q1	25	-24	-4	4	2	0
Q2	22	2	8	12	2	0
Q3	14	23	18	5	5	0
Q4	11	12	0	7	6	0
2000 Q1	14	13	8	5	10	3
Q2	24	11	10	5	10	3
Q3	29	-12	2	1	2	0
Q4	11	-7	-8	5	5	0
2001 Q1	32	-26	-12	3	6	0
Q2	38	-42	-3	5	8	0
Q3	39	-37	-19	8	7	1
Q4	31	-39	-17	10	9	1
2002 Q1	18	-5	-3	9	5	1

* **Note:** For Inventory Levels, a positive balance indicates too much inventory, and is thus unfavourable.
For New Orders and Production, a positive balance of opinion is favourable.

Note: These data are gathered from the *Business Conditions Survey* which is conducted quarterly in January, April, July and October. Most responses are recorded in the first two weeks of these months. Manufacturers with more employees have a correspondingly larger impact on the results.

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